



# Hog Margin Outlook

Meeting Your Marketing Needs

Tuesday, October 13, 2015

For details call: (204)235-2237 or visit

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

Hog Prices: ↑ Soymeal: ↑  
Corn: ↑ CDN Dollar: ↑

**Forward contract prices opened higher this morning.** US cash markets started the week with slightly lower bids and packers operating below capacity. Last week's slaughter came in at 2.29 million hogs, (approximately 7% higher than year ago levels) which is less than the latest forecast from the September Hogs and Pigs report. While hog supplies look manageable, they are anticipated to hit 2.4 million head over the next 60 days, which would add an additional 5% over the current weekly slaughter. Domestic demand appears to be performing very well with belly and ham primal cuts providing most of the support to the carcass cut-out. However, with slow export sales, the growing production will need to be cleared in the domestic market, and 'National Pork Month' features seen over the last two weeks conclude at the end of the month. The combination of higher Lean Hog futures and a lower Canadian Dollar have returned winter month forward prices to last week's highs and represent good value relative to the current cash market and the seasonal trend.

**Canadian delivered soymeal prices opened higher this morning.** Canadian soymeal prices jumped \$6 CAD/MT immediately following Friday's WASDE report as bean estimates came in lower relative to expectations amid a tightening supply. Ending stocks of beans were lowered 25 million bu. to 425 mil. bu. largely on reduced acreage. Harvested area was reduced from the September report by 1.1 million acres, the largest reduction since 2010 and the second highest in 10 years. An increase in the yield by 0.1 bpa, lowered export expectations, and decreases in expected usage were not enough to check the upside reaction that saw 66 million bu. removed from the US supply in a report that was considered 'mildly bullish'.

**US corn futures opened higher this morning.** The US corn market had a more mixed response to Friday's WASDE report, but initially turned lower immediately following its release. Relatively slow harvest progress and challenging early planting weather have not resulted in material support for the most part. Decreases in acreage were offset by increases in yields and ending stocks came in lower by 'only' 31 million bu. relative to the September report. While the new corn crop is lower than last year's by 171 million bu., the trade will likely have to overcome competitiveness issues and lacklustre export demand before substantial support returns to the trade.

US Slaughter	
2.279 mil.	Last Week
2.144 mil.	Last Week (year ago)
W. Corn Belt	\$71.03
National Price	\$74.99
Daily Sig 3	\$168.55
Daily Sig 4	\$172.32
Thunder Creek	\$168.98
4-Month Fwd.	\$ 149.81
<b>B of C Ex. Rate (Noon)</b>	
\$1.2946 CAD / \$0.7724 USD	
<b>Cash Prices Week Ending October 10, 2015</b>	
Signature 3	171.31/77.71
Signature 4	172.68/78.33
h@ms Cash	169.81/77.03
Hylife	171.87/77.96
Thunder Creek	173.30/78.61
ISO Weans	\$34.79 US Avg.
Feeder Pigs	\$44.15 US Avg.
#1 Export Sows (Tagged) \$52.50/cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #3		141.50 144.49	146.87 151.04	142.87 151.77	155.35 158.33	156.42 160.01	160.60 168.51	173.02 182.62	183.82 189.82	179.49 190.41	178.11 182.27
Maple Leaf Sig. #4		145.69 150.54	150.08 153.77	145.12 152.05	155.75 158.99	158.53 161.30	162.23 168.76	171.62 181.84	182.30 186.48	180.60 189.73	180.19 180.19
Soymeal Winnipeg Delivered	467	468	468	468	465	465					
Corn	Local delivered price available on request										

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**Pre-register for Brandon Hog Days and save \$100!**

Early Bird registration fee until Sept. 30 is \$350

Registration links available at [www.hogdaysbrandon.ca](http://www.hogdaysbrandon.ca)

Or phone Everlito at 204-346-6080

This year's event to be held on December 2, 2015

